

# **BENEFITS AND PURPOSES OF THE DECLARATION OF VALUE**

## **To Municipal Tax Assessors**

- Gives notice of transactions so that all records of ownership and property taxation can be timely adjusted.
- Provides proof of ownership as of April 1, the taxable date of any year.
- Provides the assessor with source documents used for sales ratio studies and special circumstances of certain sales. (Provided the transfer tax declaration accurately states the consideration for real property only)
- Puts the municipality on notice that certain properties, after sale, may not meet current use classification requirements. ( See Tree Growth Statutes, e.g.)

## **To the Parties to the Sale**

- Because both must sign the document, it helps prevent fraud.
- Provides purchasers and sellers with vital information records. (tree growth classification, address of seller, etc.)
- Provides information necessary for tax records of both parties.

## **To the Registry of Deeds**

- Provides the basis for assessing the transfer tax or allowing an exemption therefrom.
- Provides base information for recording the title.
- Provides a source of income to the registries. (They receive 10% of all income from recording of title)

## **To Maine Revenue Services**

- Provides data necessary for state equalization sales ratio studies.
- Provides names and addresses of parties and preparers in the case of audit of the transfer tax paid.
- Provides part of the information necessary in establishing Maine capital gains taxation liability of sellers.
- In the unorganized territory, provides information to the State Tax Assessor in the same way as to the municipality above.

## **To the State**

- The State and the Maine State Housing Authority receive the balance of the funds collected through the transfer tax.
- It may be used for various economic and statistical studies of real estate transactions.